

## AUDIT COMMITTEE

21 May 2019

Present:-

Councillors J Mathews (Chair), I Hall (Vice-Chair), J Berry and A Saywell

Apologies:-

Councillors R Peart

\* 54

**Minutes**

**RESOLVED** that the Minutes of the meeting held on 27<sup>th</sup> February 2019 be signed as a correct record

\* 55

**Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

\* 56

**External Audit Update**

The Committee received the Report of Grant Thornton outlining the progress made in delivering their responsibilities as the Council's external auditors.

The Joint Associate Director of Commissioning and the Social Work Lead, Devon Partnership Trust updated members of the Committee on the progress they had made relating to compliance of Care Act duties following the objection that had been raised against the 2017/18 financial statements of the County Council.

It was **MOVED** by Councillor Berry, **SECONDED** by Councillor Saywell and

**RESOLVED** that the report and findings be noted.

57

**Annual Governance Statement 2018/19**

The Committee considered the Report of the Leadership Group (CSO/19/13) on the Annual Governance Statement which the Council was required to publish in accordance with CIPFA/SOLACE guidance and to comply with Regulation 6 of the Accounts and Audit (England) Regulations 2015.

The Statement confirmed that the governance arrangements provided a high level of assurance; that the arrangements continued to be fit for purpose and that the Council's governance structures reflected the core and sub-principles of the Governance Statement.

Members expressed concern that a number of members of the Council had still not completed their Disclosure Barring Service (DBS) check. The Scrutiny Officer advised that Democratic Services would continue to work with Members to ensure any outstanding DBS checks were completed as swiftly as possible. The Committee expressed its thanks to the Democratic Services Team for their efforts in supporting the Members with these checks.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Saywell and

**RESOLVED**

- (a) that the Annual Governance Statement for 2018/19 be approved and the Chair be authorised to sign the Statement.
- (b) that where DBS checks were outstanding, the Committee ask that Group leaders work with officers to support the completion of DBS checks for all members of the Council.

**58 Annual Internal Audit Report 2018/19**

The Committee received the Report of the County Treasurer (CT/19/47) on the performance of Devon Audit Partnership against the internal audit plans for 2018/19, concluding that internal audit was able to provide significant assurance on the adequacy and effectiveness of the Council's internal control framework.

The Members of the Committee raised the issues of levels of sickness and of new webpages experiencing installation issues.

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Berry and

**RESOLVED**

- (a) that the internal audit opinion that the Council's systems contain a satisfactory level of internal control be noted;
- (b) that the satisfactory performance and achievements of Devon Audit Partnership during 2018/19 be noted.

**59 Internal Audit Strategy 2019/20**

The Committee considered the Report of the County Treasurer (CT/19/48) and the accompanying Internal Audit Strategy, outlining the purpose, authority and principal responsibilities of the Council's internal audit service, provided by the Devon Audit Partnership. The Strategy had been produced to meet the requirements set by the Public Sector Internal Audit Standards.

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Berry and

**RESOLVED** that the Internal Audit Strategy for the year 2019/20 be endorsed.

**60 Internal Audit Charter 2019/20**

The Committee considered the Report of the County Treasurer (CT/19/49) and the accompanying Internal Audit Charter, outlining the purpose, authority and principal responsibilities of the Council's internal audit service, provided by the Devon Audit Partnership. The Charter had been produced to meet the requirements set of the Public Sector Internal Audit Standards.

It was **MOVED** by Councillor Berry, **SECONDED** by Councillor Saywell and

**RESOLVED** that the Internal Audit Charter for the year 2019/20 be endorsed.

**61 Devon County Council - Control Environment**

The Committee received the Report of the County Treasurer (CT/19/49) on the yearly requirement of the Audit Committee and Section 151 Officer to respond to enquiries from the external auditors (Grant Thornton) regarding the overall control environment of the Council, with particular focus on the arrangements in place to ensure that the production of the financial statements were free of material error.

The Committee will be required to authorise the accounts in July following careful consideration of the auditors' report. The letter attached to the Report, from the Section 151 Officer set out the details of the control environment.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Saywell and

**RESOLVED**

(a) that the Report be noted and that the response from the County Treasurer including the conclusion that the authority's accounts be prepared on a Going Concern basis be endorsed;

(b) that the proposed response to the external auditor's question to the Audit Committee on fraud be approved.

**62        2018/19 Risk Management Annual Report**

The Committee considered the Report of the County Treasurer (CT/19/46) which sets out the Risk Management Policy and Strategy for 2018/19.

Members expressed concern regarding whether this information was publicised enough and regarding specific issues such as the risk of fuel shortages.

The Committee welcomed the higher profile the County Council had given to risk management over the last 12 months, and the improved link to the Scrutiny function.

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Berry and

**RESOLVED**

(a) that the Committee notes the changes and updates to the risk management process as supported by Devon Audit Partnership;

(b) that Members note the roles and responsibilities identified in the update report and the revised Risk Management Policy and Strategy;

(c) that the Committee notes the current risk position for all risks;

(d) that Members note the 11 risks currently ranked the highest;

(e) that the relevant Scrutiny Committees be invited to review the latest position on the top 11 risks.

**63        Audit Committee Annual Plan 2019/20**

The Committee received the Report of Grant Thornton outlining the progress made in delivering their responsibilities as the Council's external auditors.

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Berry and

**RESOLVED** that the current outline Plan be noted subject to inclusion of the following topics (arising from this meeting) for future consideration:

(a) 29 July 2019 (morning masterclass) - Children's Social Care Budget

(b) Other issues to be factored into work plan or as masterclasses

- Sickness management / HR processes
- Cyber Fraud
- Highways

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21/05/19

- Business Continuity

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.15 pm and finished at 3.13 pm